

Message Text

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ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AID-05 CEA-01 CIAE-00 COME-00
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FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 5925
INFO ALL EC CAPITALS
USMISSION GENEVA

UNCLAS BRUSSELS 06906

USEEC

PARIS ALSO FOR OECD

E.O. 11652: N/A
TAGS: EEC, ETRD,EIND
SUBJECT: STRUCTURAL ADAPTATION IN THE EC CLOCK AND
WATCH-MAKING INDUSTRY

1. IN REPLY TO A PARLIAMENTARY QUESTION, THE EC COM-
MISSION HAS STATED THAT IT DOES NOT INTEND TO PLAY AN
ACTIVE ROLE IN COORDINATING STRUCTURAL ADJUSTMENT IN
THE CLOCK AND WATCH-MAKING INDUSTRY.

2. TEXT OF PARLIAMENTARY QUESTION AND COMMISSION
RESPONSE FOLLOWS:

SUBJECT: CRISIS IN THE COMMUNITY CLOCK AND WATCH-MAKING
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DOES THE COMMISSION INTEND TO ENCOURAGE AMALGAMATIONS
BETWEEN CLOCK AND WATCH-MAKING INDUSTRIES IN THE NINE
TO INCREASE THEIR COMPETITIVENESS ON THE INTERNATIONAL
MARKET AND TO PROVIDE THE LARGE INVESTMENTS NEEDED FOR
RESTRUCTURING, ABOVE ALL IN THE ELECTRONICS SECTOR,

WHICH IS ACQUIRING A MORE IMPORTANT POSITION ON THE MARKET?

DOES THE COMMISSION NOT FEEL THAT SUCH AMALGAMATIONS SHOULD BE ENCOURAGED BY MEANS OF COMMUNITY AID INSTEAD OF NATIONAL MEASURES, WHICH THREATEN TO PROVOKE DISTORTIONS OF COMPETITION, OR DOES IT NOT AT THE VERY LEAST INTEND TO COORDINATE NATIONAL AIDS?

RESPONSE: THE COMMISSION AGREES WITH THE HONORABLE MEMBER THAT THE NEW CONDITIONS IN THE CLOCK AND WATCH-MAKING INDUSTRIES BROUGHT ABOUT PARTICULARLY BY THE ADVENT OF NEW TECHNOLOGIES NECESSITATE STRUCTURAL CHANGES IN WHICH AMALGAMATIONS WILL TEND TO OCCUR. IN THIS RESPECT, THE HONORABLE MEMBER WILL REMEMBER THAT THE COMMISSION HAS SET UP A BUSINESS COOPERATION CENTER, THROUGH WHICH COMPANIES WISHING TO EMBARK ON JOINT VENTURES CAN CONTACT SUITABLE PARTNERS.

THE COMMISSION WATCHES TO SEE THAT ANY NATIONAL MEASURES DO NOT DISTORT THE CONDITIONS OF COMPETITION TO A DEGREE PREJUDICIAL TO THE COMMON INTEREST. IT WOULD REMIND THE HONORABLE MEMBER THAT IT HAS ALREADY INTERVENED TO THIS PURPOSE IN THE PAST.

THE COMMISSION IS NOT AT THE MOMENT CONSIDERING MORE FORMAL COORDINATION OF NATIONAL AID IN THIS INDUSTRY.
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END TEXT. MORRIS

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NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

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